

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

JUNE 9, 2015

Countywide Strategic Plan for Cap and Trade Program Funding

The Cap and Trade Program (Program) is a key element of California's strategy to address climate change. The Program sets a statewide limit on sources responsible for 85 percent of California's greenhouse gas emissions (emissions), and requires that a portion of the emissions permits established by the Cap and Trade Program be sold at quarterly auctions. This has become a successful model for not only ensuring that emitters are paying for the pollution they produce, but also generating revenue that can be used for municipally-run programs that reduce carbon emissions.

With the proceeds generated through the auctions, the State Legislature and Governor appropriate funds to 11 distinct programs which provide funding for emission reduction strategies. These programs provide grants in various categories including low-carbon transit operations, affordable housing and sustainability communities, weatherization upgrades/renewable energy projects, energy efficiency projects in public buildings, water action plans, waste diversion and fire prevention. Priority is given to disadvantaged communities, defined as areas with low-income consumers and communities that are disproportionately impacted by air pollution. \$2.2 Billion of revenue is anticipated to be allocated during the 2015-16 Fiscal Year by the State for this purpose, with a majority of the funds being allocated based on competitive solicitations.

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This will be the third year that the State's Program will be active. While Los Angeles County (County) generates a significant portion of the Cap and Trade revenue, and also is home to the largest concentration of disadvantaged communities statewide, during previous rounds of grant solicitations, the County has had nominal participation.

The newly-formed Los Angeles County Sustainability Council should become the coordinating body for identifying future grant opportunities for the County through the Program in order to draw down the region's fair share of statewide revenue and ensure investment into County-sponsored programs that reduce emissions.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Direct the Los Angeles County Sustainability Council, upon its establishment, to report back in writing within 90 days with a Countywide Strategic Plan for drawing down Cap and Trade Program funds and report back to the Board of Supervisors on a quarterly basis thereafter regarding the status of grants that have been applied for and received.

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